

Overpayment of Term Pay Annual Leave Paid in Error

ANNUAL LEAVE PAID IN ERROR

This procedure is used when an employee has been paid annual leave in error. This situation occurs when an employee has been paid annual leave and the agency was not aware that the employee was transferring to another agency. If this situation occurs, the gaining agency must notify the losing agency, who then **must** correct the master data. Note: The amount collected will be credited to the losing agency. Annual leave may also be paid in error when master data entries are incorrectly completed in LaGov HCM.

The LaGov HCM system is set up to automatically recoup overpayments based on changes to master data. Once corrections/processing have been completed, the LaGov HCM system will automatically credit the leave to the employee and establish a claim for the overpaid leave. The agency should contact the LaGov HCM Help Desk for assistance in correcting the master data.

The following procedures outline how an agency should process an **Annual Leave Paid in Error**:

1. If the employee transferred to another agency, the gaining agency should notify the losing agency of the transfer and the overpayment.
2. Notify the employee of the overpayment. Obtain documentation authorizing the agency to collect the recoupment. If the recoupment will not be made in a lump sum payment, it is recommended that this documentation include the employee's authorization to deduct any remaining balance due from the employee's final pay check if the employee separates.
3. Determine if the recoupment will be processed through LaGov HCM deductions or via personal check.
4. Make all master data corrections. Note: Agencies should work with the [LaGov HCM Help Desk](#) on master data corrections for annual leave paid in error. The [LaGov HCM Help Desk](#) will assist agencies in determining the net amount due from the employee.
5. Determine the amount to be recouped.

Repayment through deductions in LaGov HCM:

1. Determine the number of pay periods the payment should be spread over and the amount per pay period to be deducted. Note: Payment plans should begin immediately and should not exceed 12 months. Requests for exceptions to the 12 month recoupment plan limit must be approved by OSUP and should be submitted via email to _DOA-OSUP-GARN@la.gov.
2. Notify OSUP, via email at _DOA-OSUP-GARN@la.gov or by fax to (225) 219-4432, that recoupment deductions must be established in LaGov HCM. This request must include the following:
 - the employee's name and personnel number,
 - the total amount of annual leave paid in error, the number of hours and the reason for the error, and
 - the amount to be repaid each pay period and the number of pay periods to be deducted.

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3. OSUP will create the appropriate entries in LaGov HCM for the payment to come out of the employee's pay check. A cost override will be completed, if necessary, to allocate payments to the appropriate agency. The agency will be notified when these entries have been completed.
4. **Contact OSUP via email at _DOA-OSUP-GARN@la.gov for instructions if the employee is separating or transferring prior to the completion of the repayment plan.**

If the employee is separating:

- The agency must determine the deduction amount to be taken from the employee's final payment.
- The balance of the overpayment may be deducted from the employee's final payment provided that this one-time payment does not bring the employee's gross hourly wage amount below the federal minimum wage. If the employee agrees to have a larger amount withheld, the agency must obtain written approval from the employee.
- If the overpayment is not repaid prior to separation or the overpayment is discovered after the separation, follow the guidelines outlined in the Rule on Recoupment of Overpayments (LAC 4:III.Chapter 7) §711 published in the March 20, 2005 Louisiana Register.

If the employee is transferring to another LaGov HCM paid agency:

- The losing agency must notify the gaining agency that the employee has an outstanding balance due.
- The losing agency must provide the gaining agency pertinent documentation regarding the details of the overpayment and the recoupment plan.
- If a payment plan has been established in the LaGov HCM system, the gaining agency must continue the payment plan that was established under the losing agency. Note: OSUP should be notified that a cost override must be completed on the IT14 recoupment record to allocate these payments to the appropriate agency.
- If a payment plan was **not** established in the LaGov HCM system, the losing agency and gaining agency must coordinate the recoupment of the overpayment through the payroll system. Note: OSUP should be notified that a cost override must be completed on the IT14 recoupment record to allocate these payments to the appropriate agency.

If the employee is transferring from a LaGov HCM paid agency to a LaGov HCM non-paid agency:

- The losing and gaining agencies must work together to determine a reasonable solution for recouping the overpayment from the employee and for transferring funds received by the gaining agency back to the losing agency.

Repayment via personal check:

1. Contact OSUP Garnishment Administration Unit at _DOA-OSUP-GARN@la.gov or by fax to (225) 219-4432 for approval to recoup the overpaid leave via personal check.
2. If approved, the agency must work with the [LaGov HCM Help Desk](#) to correct the master data, determine the check amount and process the necessary adjustments.

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3. Deposit the funds as INA, Return of Appropriations, etc. as appropriate. Questions regarding the classification of funds in AFS should be directed to the Office of Statewide Reporting and Accounting Policy (OSRAP).
4. Notify OSUP Garnishment Administration Unit at _DOA-OSUP-GARN@la.gov when the funds have been deposited.

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